



MODERN ORGANIZATION THEORY: ANALYZING THE COMPLEXITY OF COORDINATION AND COOPERATION IN THE MODERN ORGANIZATIONS

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ABSTRACT

The theory consists of principles that describe relationships observed in association with phenomenon. The primary role of theory is to provide a description as well as explanation of the phenomenon. This means that organization theory can help us in understanding us; what is organizations, how organization behaves in a given environment and how they may behave in a different set of circumstances. The organization theory has been developed as a result of systematic study of organizations. Therefore, it has general applications to all type of organizations. It provides way of thinking about organization and managing the organizations. Organization theory deals primarily with the organization level phenomenon such as organizational change and growth, planning and design, development, politics, culture and structure. In the context of organization level phenomenon, this research study deals with effectiveness of the organization. The study is aimed to investigate the complexity of coordination and cooperation in the context of modern organization. The research has studies two major Model of organization theories; System Model and Contingency Model and has critically deliberated on the complexities of coordination and cooperation in the context of modern organizations, Finally, in the light of study of these modern organization models, the author has suggested Henry Mintzberg's Model for dealing with the complexity of coordination and cooperation.

Keywords: Modern organization, System model, Contingency model, Coordination, Cooperation.

Received: 23 January 2014/ Revised: 13 February 2014/ Accepted: 3 March 2014/ Published: 20 March 2014

1. INTRODUCTION

The Modern organization theory concept has emerged during the beginnings of the Industrial Revolution in the early 1900s. Max Weber, a well-known German sociologist believed

that bureaucracies represented the ideal form of organization. According to his form of organizational structure, the responsibilities for workers are clearly defined and behavior is tightly controlled by rules, policies, and procedures. In the early 1900s, Henry Fayol has also contributed to the organization theory and he is accredited for introducing the strategic planning, staff recruitment, employee motivation, and employee guidance as important management functions in creating and nourishing a successful organization. Weber's and Fayol's theories found broad application due to the influence of Frederick W. Taylor (1856-1915). In 1911, F.W.Taylor outlined his theories in the book "*Principles of Scientific Management*". This new theory was eventually implemented on American factory floors. His work is accredited in defining the role of training, wage incentives, employee selection, and work standards in organizational performance (Hicks and Gullet, 1975).

The Modern organization theory states that an organization is a system which has to adapt to the changes and developments in its environment. In the perspective of modern organizational theory, an organization is defined as a designed and structured process in which individuals interact for attaining objectives. The modern approach to the organization has become multidisciplinary and scientists have emphasized on the dynamic nature of communication and importance of integration of individual and organizational interests. Chester Bernard in his work "Theories of Management" has also emphasized on that and gave the first modern and comprehensive view of management (Bernard, 1990). The operation research approach was suggested in 1940. It utilized the contributions of several disciplines in problem solving. Von Bertalanffy in his work "General System Theory" made a significant contribution by suggesting a component of general systems theory which is accepted as a basic premise of modern theory (Von Bertalanffy, 1968).

The roots of Modern organization theory lie in the general system theory as interpreted in the open system theory. The theory was introduced by Busc Ludwig von Bertalanffy in the early 19 century. The system theory is acquired from the biological and ecological sciences that human organization is an organic system in which everything is related to everything else and a change in one element of the system will affect all other relationships in the system. (Richard, 2007) . There are two basic models of Modern organization theory; Systems Model and the Contingency Model."

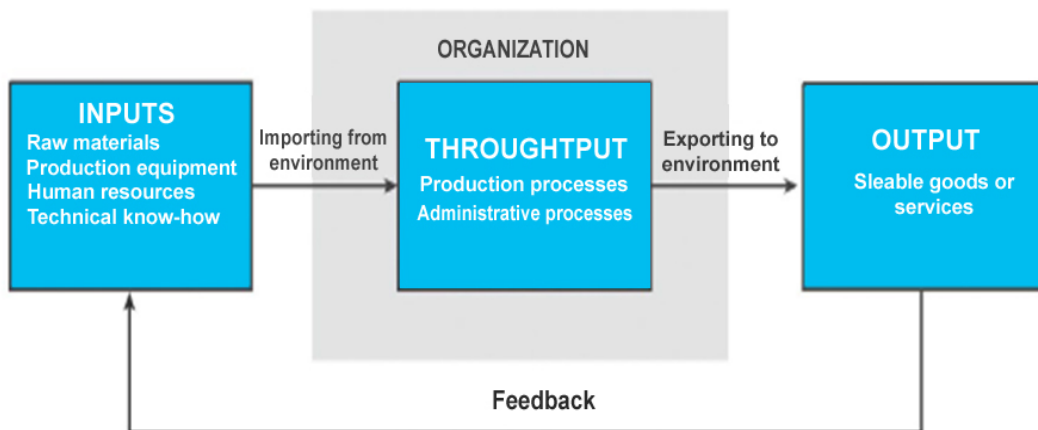
2. SYSTEMS MODEL VIEW OF ORGANIZATION

According to this model of Modern organization theory, the organization as a system is composed of interconnected and mutually dependent - sub-systems. And these sub-systems can have their own sub-sub-systems. A system can be perceived as composed of some components, functions and processes. There are five basic, interdependent parts of the organizing system; 1) individual, 2) formal and informal organization, 3) patterns of behaviors, 4) role comprehension of the individual, 5) physical environment of organization. The system model facilitates different

components of the organization to operate in an organized and correlated manner. The interaction between the different components of the organization is dependent upon the linking processes, which consist of communication, balance and decision making. The structure of open system model stresses the complexity and variability of the individual parts of the organization such as individual participants and subgroups and the looseness of connection among them.

Each parts of the organization work as semi-autonomous parts and capable of semi-autonomous action. The each part is loosely coupled to other parts and individuals and subgroups form and leave coalitions therefore, the coordination and control become problematic (Kast and Rosenweig, 1988). The following figure demonstrates the system model view of the organization.

Figure-1. System model view perspective



Source: (Kast and Rosenweig, 1988)

The above system model view demonstrates that organization imports material and other resources from the environment, produces the output and export back to the environment. The feedback helps the organization to survive in the environment. Furthermore, the model shows that the organization is surrounded by the environment and the survival of the organization depends on detecting the environment and adjusting itself to the changes taking place in the environment.

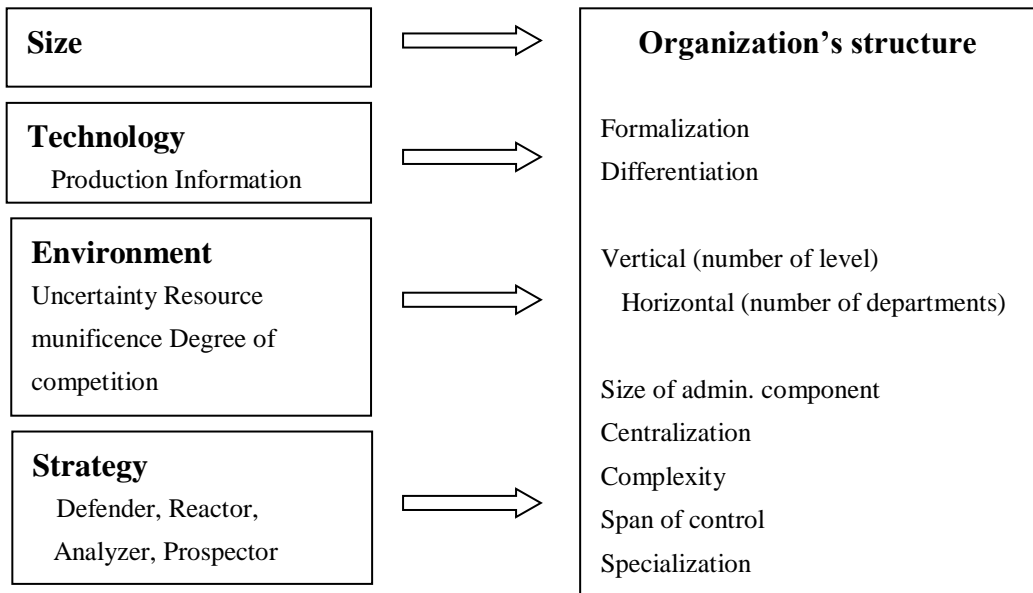
3. CONTINGENCY MODEL VIEW OF ORGANIZATION

This model of the modern organization theory is based on the situational approach to the organization. The model claims that there is no any universal guidance which can be deemed suitable for all type of situations. The systems of the Organization are inter-related with the environment. This model suggests that different environments require different organizational

relationships for optimum effectiveness. In the environment there are various factors which are taken into consideration i.e social, legal, political, technical and economic factors (Pfeffer, 1982).

Modern organization theory reflects a search for patterns of relationships among subsystems and a contingency view. The system model concept delivers us a macro paradigm for the study of organization but they involve relatively high degree of generalization. The contingency view provides inter-relationships among subsystems. The contingency view of organizations suggests that an organization is a system composed of subsystems and demarcated by identifiable boundaries from its environment. The contingency model seeks to understand the inter-relationships within and among subsystems of the organization. It also seeks to understand inter-relationships between the organization and its environment. The contingency view recognizes that environment and internal subsystems of each organization are somewhat unique and they both provide a basis of designing and managing specific organizations. The contingency model represents a middle ground between (1) the view that there are universal principles of organization and management and (2) the view that each organization is unique and that each situation must be analyzed separately. The fundamental assumption is that there should be congruence between the organization and its environment and among the various subsystems. The main managerial role is to maximize this congruence. The suitable fit between the organizations and its environment and the proper internal organization design can bring greater effectiveness and efficiency in the organization. The contingency view suggests that there are appropriate pattern of relationships for different types of organization and that we can improve our understanding of how these relevant variables interact (Kast and Rosenweig, 1988).

Figure-2. Contingency Model View



Source: (Kast and Rosenweig, 1988)

As shown in the above figure, there are four major factors of contingency model, which are considered vital in terms of co-ordination and cooperation within and outside the organization, i.e. size, strategy, Technology and Environment. An organizational goal refers to ends and the strategy refers to both means and ends. The strategy is viewed as a determinant factor of the organizational goals and objectives and the adoption of course of action along with proper allocation of resources to achieve these goals. The size is viewed as a determinant factor that influences the structure of the organization. The size has a significant influence on vertical differentiation and increase in formalization appears to be related closely to increase in organizational size. The technology is used in the process and method that transforms inputs into outputs in the organization.

Woodward proposed a broader three types of production technology: unit, mass and process. Perrow proposed a broader view of technology by looking at knowledge i.e. task variability and problem analyzability. Thompson demonstrated that the interdependency created by a technology is important in determining an organization's structures (Kast and Rosenzweig, 1988). The common theme in the organization theory is that organization must adapt to their environments to maintain and increase their effectiveness. In an open system, the organization is considered to be developing monitoring and feedback mechanisms that identify and follow their environments and make appropriate adjustments as necessary. Generally organizations encounter two types of environments.

- One is general environment encompasses conditions that may have an impact on the organization but their relevance is not overtly clear.
- The other is specific environment which is related to organization's internal condition in achieving its goals.

The organizations with mechanistic structures were characterized by high complexity of formalization and centralization. They performed routine tasks and dependent on programmed behavior and slow in responding to the environment. Contrary to that, Organic structures were characterized as relatively flexible and adaptive based on expertise and knowledge rather than on authority of position. There is loosely defined responsibility rather than rigid job definitions and emphasize on exchanging information rather than on given directions. The above three contingency theory factors affect the degree of coordination, cooperation that leads to the efficiency of organization. The essential problem is that how these contingency factors are adapted in a way that result in better performance and cause efficiency. In modern organizational theory, the communication is the focal point for the application of systems and analyzing the functioning of an organization. The communication process in the organization is consisting of seven steps i.e. message, encoding, transmitting, receiving, decoding, understanding and feedback (Robbins, 1987).

W. Richard Scott in the chapters 11, of his book "Organizations: rational, natural and open system" has rightly discussed about the goals, power and control in the context of modern

organization. He argued that a Modernists view of organization is to develop structures for coordinating activities in the pursuit of specialized goals. In formal organizations, the power is the potential influence of the sanction ability and authority is normatively regulated. In informal organization, group authority exists as endorsed power constrained by norms and enforced by subordinates. The authority exists primarily as authorized power. (Richard, 2007)

4. COMPLEXITY OF COORDINATION AND COOPERATION

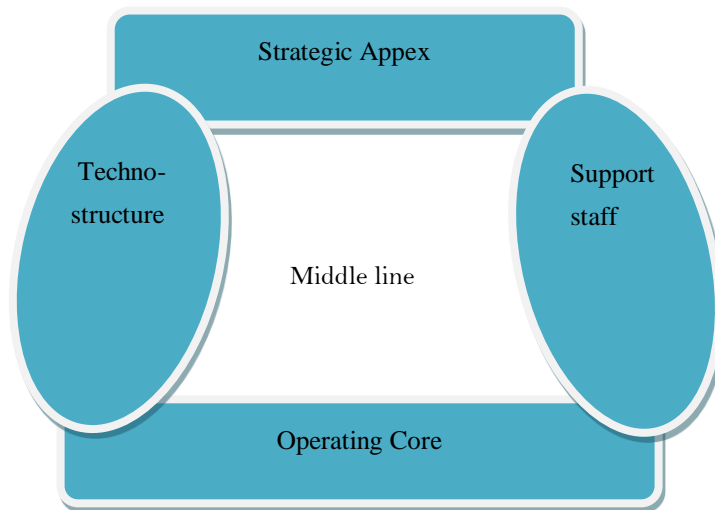
In the light of the discussions of the two main models of modern organization theory, i.e system model and contingency model, it can be concluded that the communication and coordination and efficiency are the central elements of the very existence of the organization, whether it as formal or informal organization, whether it is an open or closed system. And on other it is the fact that in the modern complex organization their existence has been recognized as equally important elements of the organization's effectiveness. The coordination is deemed as central structural element and cooperation is deemed as the central element of the organizational effectiveness. In the system model view, due to the structural loose coupling there is probability of loose coordination and cooperation in the functional performance in the organization which may lead to the inefficiency within the organization.

In the view of contingency model, the effective coordination and cooperation depends on the different organizational relationships due to the various social, legal, political, technical and economic factors. The most important matter in both models is that, how the cooperation and coordination is formed and maintained in the context of efficient performance of the modern organization. Recognizing the functional roles of coordination and cooperation in the purpose of organization, scholars have shown their little understanding of patterns of real interaction in the modern complex multi-unit organization. However, it is the fact that due to the complexity of the modern organization, it is very difficult to maintain the coordination and cooperation but its existence is there in weaker or stronger form. In the system model view of organization, the coordination develops integration of activities of specialized units towards achieving the common objective of the organization. For instance, the coordination in the open system model involves placement of different units in the organization together or separately and deciding their patterns of relationship and communication. In the contingency model view, the coordination and cooperation involves factors such as strategy, technology and environment within the organization. The coordination is accomplished through the hierarchy of authority and it involves important principles of organization. In this context, it can be said the coordination and cooperation depends the hierarchy of authority (Kleinbaum *et al.*, 2008).

In the light above discussion on the different aspects of the modern organization, the key issues for the modern theorists is to deal with the complexity of structure and complexity of coordination in the multi unit organizations. Currently, the contemporary organizations are facing major issues of uncertainty of technology. Taking in view of the Henry Mintzberg model of

the organization, there need to be integrated approach of unification in dealing with the several complexities in the modern organizations. The idea of developing balance between environmental factors and organization capability can make the organization successful in this dynamic environment. In this context, the introduction of model of five basic elements of organization by the Henry Mintzberg for developing cohesive and viable balance between the environmental factors and organizational capabilities is of workable solution. The following figure shows the Model of Five Basic Elements of organization (Mintzberg, 1983)

Figure-3. Mintzberg's Model of Five Basic Elements of Organization



Source: (Mintzberg, 1983).

The above frame-work given by Henzberg demonstrates the five parts of the organization i.e operating core, strategic apex, middle line, techno structure, and support staff. In view of that model, there need to be five basic mechanisms of coordination such as 1) mutual adjustment, 2) direct supervision, 3) standardization of work processes, 4) outputs, and 5) skills for developing the effective coordination and cooperation within the organization.

5. CONCLUSION

Keeping in view of the above discussions in the context of complexity of coordination and cooperation, it can be concluded that there should be separate form of coordination for each part of organization. In the Contingency Model view, the contingency factors, such as age and size, technical system, environment, and power, relies on one of the five coordinating mechanism. In the conclusion, it can be said that the effective organization supports the logically consistent grouping of its elements for developing a harmony in its internal process of organization and with the environment and that harmony can only be brought by developing an effective coordination and cooperation within the organization. This research will lead to the way of conducting further

research on number of modern organizations in the context of complexity of coordination and cooperation in the modern organizations.

Funding: This study received no specific financial support.

Competing Interests: The authors declare that they have no competing interests.

Contributors/Acknowledgement: All authors contributed equally to the conception and design of the study.

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